Message Text

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R 152209Z APR 77 FM SECSTATE WASHDC TO AMEMBASSY JIDDA

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LIMDIS, FOR AMBASSADOR PORTER

E.O. 11652: GDS

TAGS: ETEL, ETRD

SUBJECT: ARAB BOYCOTT: TELECOMMUNICATIONS

REF: (A) JIDDA 2440, (B) STATE 64745, (C) 76 STATE 224661, (D) 76 STATE 271122

- 1. ON BASIS OF FURTHER DISCUSSION WITH RCA OFFICIALS, WE BELIEVE IT APPROPRIATE FOR YOU TO CONSIDER FURTHER APPROACH TO SAUDI OFFICIALS RE POSSIBLE EXEMPTION OF TELECOMMUNICATIONS SERVICES FROM PURVIEW OF BOYCOTT RESTRICTIONS.
- 2. RCA GLOBCOM (RCAGC) INFORMS US THAT THEIR MIDEAST REP STATIONED IN ROME (SAM AMARI) WAS ABLE TO VISIT SAUDI CONFIDENTIAL

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ARABIA IN LATE MARCH TO DISCUSS WITH PTT OFFICIALS SPECIFIC RCAGC PROPOSALS TO ESTABLISH CIRCUITS TO SERVE SAUDI ARABIA. AMARI MET WITH, AMONG OTHERS, DEPUTY PTT MINISTER AND SAUDI BUREAUCRATS CONCERNED WITH BOYCOTT MATTERS. ALTHOUGH PTT MINISTRY OFFICIALS REPORTEDLY FOUND PROPOSALS ATTRACTIVE, THEY INDICATED THAT BOYCOTT PREVENTED ANY AGREEMENT. HOWEVER, AMARI APPARENTLY WAS GIVEN IMPRESSION SAUDI OFFICIALS

WOULD BE OPEN MINDED IN EVENT IT COULD BE SHOWN THAT ARAB LEAGUE COUNCIL RESOLUTION PROVIDES FOR EXEMPTION OF TELE-COMMUNICATIONS SERVICES FROM BOYCOTT.

3. WHEN AMARI REFERRED TO ALLEGED ARAB LEAGUE COUNCIL RESOLUTION OF SEPT. 1976 SUGGESTING THAT TELECOMMUNICA-TIONS SERVICES BE EXEMPTED FROM BOYCOTT, SAUDI OFFICIALS REPLIED THEY HAD NOT SEEN IT. AMARI REPORTS THAT PTT DEPUTY MINISTER THEREUPON WROTE TO CENTRAL BOYCOTT OFFICE IN DAMASCUS REQUESTING COPY OF RESOLUTION. WE HAVE FROM RCA A XEROX COPY IN ARABIC OF A SOMEWHAT MYSTERIOUS LETTER FROM THE GENERAL MANAGER OF THE BOYCOTT OFFICE OF ISRAEL (APPARENTLY THE CENTRAL BOYCOTT OFFICE IN DAMASCUS) TO AN UNIDENTIFIED MINISTER OF ECONOMY AND FOREIGN TRADE/ DIRECTOR GENERAL OF FOREIGN TRADE WHICH REFERS TO ARAB LEAGUE COUNCIL RESOLUTIONS NO. 321 OF MAY 30, 1967, AND NO. 3521 OF SEPTEMBER 9, 1976. ACCORDING TO TEXT OF LETTER, LATTER RESOLUTION NOTES THAT (A) RCA STILL BLACK-LISTED CONCERNING ALL ITS PRODUCTS, (B) BOYCOTT OFFICE RULES PERMIT EXCEPTIONS FOR SPARE PARTS PURCHASES IN EVENT OF UNAVAILABILITY FROM NON-BLACKLISTED SOURCES (EXCEPT FOR HOME APPLIANCES MADE OF PLASTIC), (C) ARAB LEAGUE HAS DECIDED THAT WHERE FIRM HAS MULTI-ACTIVITY BUSINESS INCLUDING TELECOMMUNICATIONS, TELECOMMUNICATIONS WILL BE EXEMPTED FROM BOYCOTT PROVIDED COUNTRY WHERE THE COMPANY IS ESTABLISHED REGULATES TELECOMMUNICATIONS SERVICES AS IS THE CASE IN THE UNITED STATES. LETTER FURTHER REQUESTS THAT ABOVE GUIDANCE BE REVIEWED AND NECESSARY STEPS TAKEN TO EFFECTIVELY APPLY AND EXECUTE (THAT GUIDANCE) AND THAT CONFIDENTIAL

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BOYCOTT OFFICE BE KEPT ADVISED.

- 4. RCA IS GREATLY CONCERNED ABOUT ANY LEAK THAT RCA HAS COPY OF THIS LETTER (HENCE STADIS/LIMDIS) BECAUSE OF POSSIBILITY IT COULD BE TRACED TO SOURCE. NONETHELESS, AMARI APPARENTLY SHOWED COPY TO SAUDI OFFICIALS OR READ THEM TEXT.
- 5. RCA IS HOPEFUL THAT PTT DEPUTY MINISTER'S LETTER TO CENTRAL BOYCOTT OFFICE WILL PRODUCE SUITABLE NOTIFICATION TO SAUDI PTT.
- 6. RCAGC ALSO INFORMS US THAT IT PLANS TO BID ON NEW DEFENSE DEPARTMENT REQUEST FOR QUOTATIONS FROM CARRIERS FOR ADDITIONAL CIRCUITS TO SERVE SAUDI ARABIA. RCAGC IN PURSUING THIS POSSIBILITY PLANS TO SEND TELEX TO SAUDI PTT INFORMING IT OF BID AND SEEKING ACCEPTANCE OF RCA'S VIEW THAT ARAB LEAGUE RESOLUTION PERMITS SAUDI ARABIA TO WORK WITH RCAGC

7. GIVEN POSSIBLE BENEFIT OF HAVING SAUDI DECISION BEFORE 30-DAY TIME PERIOD FOR COMMENTS ON PENDING ITT APPLICATIONS RUNS ITS COURSE (I.E., BEFORE MAY 4), WE THINK IT USEFUL FOR EMBASSY TO (A) DETERMINE WHETHER PTT DEPUTY MINISTER HAS OBTAINED CONFIRMATION OF REPORTED SEPTEMBER 1976 RESOLUTION; (B) ASCERTAIN, IF POSSIBLE, TIME FRAME IN WHICH SAUDI OFFICIALS ARE LIKELY TO MAKE DECISION ON RCA PROPOSALS; AND (C) MAKE APPROPRIATE REPRESENTATIONS SEEKING POSITIVE SAUDI DECISION UNLESS YOU BELIEVE SUCH ACTION MIGHT PREJUDICE RCA'S INITIATIVE. RCA REPS HERE INDICATE THEY WOULD WELCOME ANY HELP EMBASSY CAN PROVIDE.

CHRISTOPHER

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